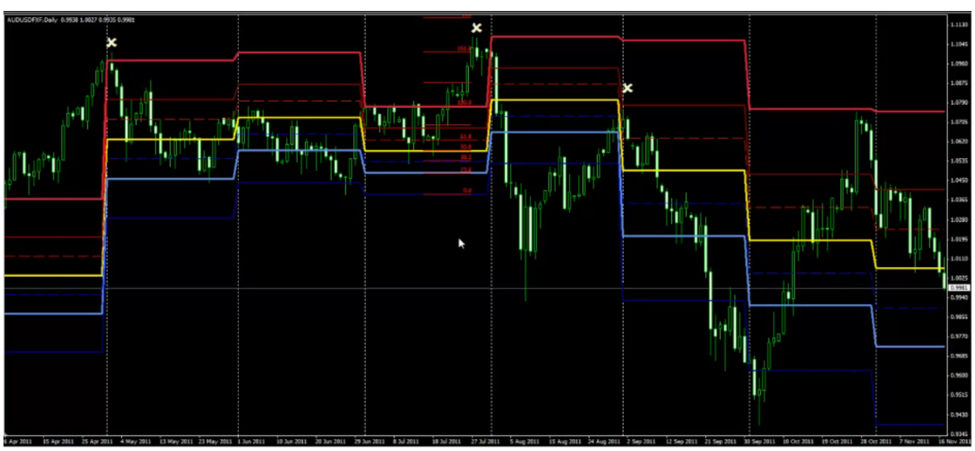
Trader's Trinity

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- The bottom of the Trader's Trinity zone is oversold, the middle part is fair value or equilibrium and the top part is overbought.
- Don't just look at the previous month's trinity, use the last 3 periods when doing your analysis.
- We want to know where we are in reference to the last 3 trading periods.



- Look for periods of time when the upper or lower trinity ranges are broken for an indication that price is overbought or oversold.
- Stocks & Commodities usually roll over in July.
- You can use extensions of the trinity range for more accurate reaction points as imaged below. It is basically taking the previous month's high to the previous month's low and finding the extension of that:



- The 162% and 200% extensions will always have some kind of reaction or correction.
- Below is another example of the image above:



- The monthly trinity will help you with the major reaction points, but we will also be using a weekly and daily trinity for insights on extensions, targets, and when price is expected to reverse (outside of the trinity).
- Even when trading pivots we look at the last 3 periods of pivots. We also look at the last 3 day's highs and lows.
- For the monthly trinity, you want to look for broken trinity's and wait for price to reach an extension on the Fib.
- The daily chart is the most accurate when projecting Fibs from the trader's trinity.
- If it hasn't reached to 162%, but it did hit the 127% extension then it is probably not done yet.
- If the trinity is broken, you use the 162% and 200% extensions to find the turning point.
- The only time you want to be trading in the fair value area of the trader's trinity is when you are scalping or when you are getting yourself in sync with the higher time frame.
- When you are in sync with the moves that are really driving the market, they will go far beyond where you think they will go.
- Look for converging overbought zones on the monthly, weekly, and daily trinity's for no brainer short setups for swing trades and/or intraday trading.
- Look for converging oversold zones on the monthly, weekly, and daily trinity's for no brainer long setups for swing trades and/or intraday trading.
- Trading in the middle of the trinity presents higher odds of getting stopped out. You can trade in this region when the higher time frame analysis suggests a trade is prudent. Otherwise, scalping is the mindset.
- The key is to have converging notions that we actually are overbought or oversold and then we look at indicators for bullish/bearish divergences.
- Fair value is similar to the Asian range in how it consolidates and is the accumulation phase when everyone is getting ready for the next move.